

Department of the Navy
Operation and Maintenance, Navy Reserve
FY 2005 President's Budget Submission
1B1B Mission and Other Ship Operations
Exhibit OP-5

I. Description of Operations Financed:

The purpose of the Naval Reserve Force (NRF) is to augment the regular naval forces to expand the capabilities of the U.S. Navy to its total force. The Naval Reserve Force represents that addition to the regular force which is required to operate and support the Navy's total inventory of ships in time of war or national emergency, or when otherwise authorized by law. Organized Reserve units with organic equipment provide the most rapid means of expanding the combat and combat support capabilities of the regular Navy.

Ship Fuel. Tempo of Operations - Includes ship's propulsion fuel to operate the main plant/engines of the conventionally powered ships at an average budgeted OPTEMPO.

Ship Utilities. Includes the cost of steam, electricity, water, sewage treatment, and other utilities (excluding telephone and garbage removal) incurred by Reserve ships while partially or totally "cold iron" in port.

Ship Operations Supplies and Equipage (S&E) Repair Parts. Provides for the funding of diversified operations and organizational level maintenance requirements including Depot Level Repairable, spares for equipment repair to maintain stocks of on-board repair parts, and the Supply Operations Assistance Program (SOAP). In conjunction with each ship's overhaul, a complete inventory of on-board repair parts is conducted by the SOAP team, repair parts allowance lists are updated based on the most recent information supplied by the hardware managers, improperly preserved parts are repackaged, repair parts that are no longer usable are discarded or turned in, and additional spares are procured to bring ship's repair parts storerooms up to full allowance.

Ship Operations Supplies and Equipage (S&E) Other OPTAR. Provides for equipage and housekeeping items such as mooring lines, underway replenishment gear; life jackets; special clothing; bedding; paint and primers; life lines; ladder treads; lagging; battle lanterns; tools; plumbing and light fixtures; sheet metal; materials to replace and repair watertight scuttles, doors, and hatches; lubricants, chemicals; lube oil; boiler compound; bilge cleaner; batteries; office machines; damage control pumps and blowers; fire hose; binoculars; floor buffers; cleaning gear such as swabs, buckets, rags, wax and cleaning compounds; toilet paper; paper towels; light bulbs; and port service charges including tugs, pilots, fees, brows, and garbage removal.

Fleet Temporary Additional Duty (TAD). Supports operational, administrative, and training travel for active duty personnel assigned to ships and units of the Naval Reserve Force and the Commands and Staffs responsible for ships in the program. TAD costs are incurred for professional, technical, team and administration training, and attendance at conferences and meetings.

Commands and Staffs. Supports normal administrative costs needed to administer managerial control and provides management information to higher authority which includes: consumable supplies, safety gear needed by inspection teams, rental, replacement and maintenance of labor saving devices, and telephone services required to support administrative duties for all units assigned; TAD in support of the Command and Staff components for training, conferences, on-site inspections of subordinate units; and printing and publication of directives, guidance to establish and promulgate standards of readiness, and printed material required for briefings or conferences.

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II. Force Structure Summary:

The following table shows year-end Naval Reserve Force (NRF) ship inventory.

<u>Hull Type</u>	<u>Category</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
FFG	Battle Force	8	9	9
MCM	Battle Force	5	5	5
MHC	Battle Force	1	1	1
MHC	Non Battle Force	<u>9</u>	<u>9</u>	<u>9</u>
Total		23	24	24

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III. Financial Summary (\$ in Thousands):

A. Sub-Activity Group Total

FY 2003	FY 2004	FY 2004	FY 2004	FY 2005
<u>Actual</u>	<u>Request</u>	<u>Appropriation</u>	<u>Estimate</u>	<u>Estimate</u>
67,357	67,211	66,889	66,889	59,127

B. Reconciliation Summary

	<u>Change</u> <u>FY 2004/2004</u>	<u>Change</u> <u>FY 2004/2005</u>
Baseline Funding	67,211	66,889
Congressional Adjustments - Distributed	0	0
Congressional Adjustments - Undistributed	0	0
Adjustments to Meet Congressional Intent	0	0
Congressional Adjustments - General Provisions	-322	0
Subtotal Appropriation Amount	66,889	0
Emergency Supplemental Carryover	0	0
Program Changes (Current Year to Current Year)	0	0
Subtotal Baseline Funding	66,889	0
Anticipated Supplemental	0	0
Reprogrammings	0	0
Price Change	0	1,258
Functional Transfers	0	0
Program Changes	0	-9,020
Normalized Current Estimate	66,889	0
Current Estimate	0	59,127

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C. Reconciliation of Increases and Decreases

1. FY 2004 President Budget Request.		67,211
2. Congressional Adjustment (General Provision).		-322
a) Sec. 8126: Efficiencies/Revised Economic Assumptions.	-322	
3. FY 2004 Appropriated Amount.		66,889
4. Baseline Funding (subtotal).		66,889
5. Revised FY 2004 Current Estimate.		66,889
6. Normalized Current Estimate for FY 2004.		66,889
7. FY 2005 Price Change.		1,258
8. Program Decrease in FY 2005.		-9,020
a) Reduction in steaming days per quarter for Mine-hunting class ships from 28 to 18.	-9,020	
9. FY 2005 Budget Request.		59,127

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IV. Performance Criteria and Evaluation Summary:

	FY 2003	FY 2004	FY 2005
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
Inventory	23	24	24
Ship Years	24	24	24
Deployed Op Months	8	0	0
Non-Deployed Op Months	278	261	262
Deployed Steaming Days	132	0	0
Non-Deployed Steaming Days	1,848	2,099	1,576
Deployed Steaming Hours	3,003	0	0
Non-Deployed Steaming Hours	35,291	29,817	29,911
Barrels of Fossil Fuel	190,624	187,201	192,968
Special Interest Categories (\$K)			
Ship Fuel	7,476	6,675	7,429
Repair Parts	37,020	32,282	30,021
Ship OPTAR	16,315	18,619	13,680
Utilities	4,673	5,266	5,093
Combating Terrorism	540	2,512	1,914
Non-Special Interest	<u>1,333</u>	<u>1,291</u>	<u>990</u>
Total	67,357	66,645	59,127

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V. Personnel Summary:

There are no civilian personnel associated with this sub-activity group.

End Strength	FY 2003 ES	FY 2004 ES	Change	FY 2005 ES
Enlisted (USN)	1,518	1,569	37	1,606
Officers (USN)	215	140	9	149
Full-time Active Reserve Enlisted (USNR)	692	742	0	742
Full-time Active Reserve Officers (USNR)	74	79	2	81
Reserve Unit Enlisted (USNR)	4,273	4,469	42	4,511
Reserve Unit Officers (USNR)	1,959	1,958	-10	1,948
TOTAL MILPERS	8,731	8,957	80	9,037

Full-Time Equivalent / Average Strength	FY 2003 FTE/AS	FY 2004 FTE/AS	Change	FY 2005 FTE/AS
Enlisted (USN)	1,454	1,543	44	1,587
Officers (USN)	230	177	-33	144
Full-time Active Reserve Enlisted (USNR)	967	717	25	742
Full-time Active Reserve Officers (USNR)	88	76	4	80
Reserve Unit Enlisted (USNR)	4,394	4,371	119	4,490
Reserve Unit Officers (USNR)	2,026	1,958	-5	1,953
TOTAL MILPERS	9,159	8,842	154	8,996

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VI. Summary of Price and Program Growth (OP-32):

	FY-03 Program Total	FY-04 Price Growth	FY-04 Program Growth	FY-04 Program Total	FY-05 Price Growth	FY-05 Program Growth	FY-05 Program Total
1B1B							
03 Travel							
0308 Travel of Persons	1,402	19	-358	1,063	15	-109	969
TOTAL 03 Travel	1,402	19	-358	1,063	15	-109	969
04 WCF Supplies & Materials Purchases							
0401 DFSC Fuel	7,476	277	-1,078	6,675	856	-102	7,429
0412 Navy Managed Purchases	1,174	50	152	1,376	12	-177	1,211
0415 DLA Managed Purchases	6,350	-184	642	6,808	23	-4,672	2,159
0416 GSA Managed Supplies and Materials	2,704	35	2,499	5,238	66	-2,004	3,300
TOTAL 04 WCF Supplies & Materials Purchases	17,704	178	2,215	20,097	957	-6,955	14,099
05 STOCK FUND EQUIPMENT							
0503 Navy WCF Equipment	19,287	890	-3,251	16,926	61	-513	16,474
0506 DLA WCF Equipment	16,428	-476	-2,553	13,399	121	44	13,564
0507 GSA Managed Equipment	627	8	-168	467	7	-43	431
TOTAL 05 STOCK FUND EQUIPMENT	36,342	422	-5,972	30,792	189	-512	30,469
06 Other WCF Purchases (Excl Transportation)							
0633 Defense Publication & Printing Service	44	-1	0	43	1	0	44
0634 Naval Public Works Center (Utilities)	3,350	-232	726	3,844	-42	-90	3,712
0635 Naval Public Works Center (Other)	97	2	365	464	2	-356	110
0671 Communications Services	184	0	492	676	-3	-549	124
TOTAL 06 Other WCF Purchases (Excl Transportation)	3,675	-231	1,583	5,027	-42	-995	3,990

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	FY-03 Program Total	FY-04 Price Growth	FY-04 Program Growth	FY-04 Program Total	FY-05 Price Growth	FY-05 Program Growth	FY-05 Program Total
09 OTHER PURCHASES							
0913 PURCH UTIL (Non WCF)	1,323	18	81	1,422	20	-61	1,381
0914 Purchased Communications (Non WCF)	1,091	14	-63	1,042	15	-108	949
0920 Supplies & Materials (Non WCF)	1,293	18	698	2,009	29	-141	1,897
0921 Printing and Reproduction	13	1	28	42	1	-6	37
0922 Equip Maintenance by Contract	13	0	0	13	0	0	13
0925 Equipment Purchases	668	9	-193	484	7	-50	441
0926 Other Overseas Purchases	297	4	820	1,121	16	385	1,522
0987 Other Intragovernmental Purchases	100	1	143	244	0	-244	0
0989 Other Contracts	3,436	46	-639	2,843	41	-234	2,650
0998 Other Costs	0	0	690	690	10	10	710
TOTAL 09 OTHER PURCHASES	8,234	111	1,565	9,910	139	-449	9,600
Total 1B1B Mission and Other Ship Operations	67,357	499	-967	66,889	1,258	-9,020	59,127